

ITEM 3: Approval of the June Meeting Minutes

Approval of the June 2023 Executive Board Meeting minutes

Attachments

- A. Summary Minutes to Executive Board Meeting (June 8, 2023)

A REGIONAL COALITION FOR HOUSING (ARCH)

Summary Minutes to Executive Board Meeting

June 8, 2023
9:00am

Hybrid Meeting

Present:

Diane Carlson, City of Bellevue, Deputy City Manager
Kyle Stannert, City of Bothell, City Manager
Carol Helland, City of Redmond, Director of Planning and Community Development
David Pyle, City of Sammamish, Director of Community Development
Kurt Triplett, City of Kirkland, City Manager
Maia Knox, City of Clyde Hill, Assistant City Manager
Brandon Buchanan, City of Woodinville, City Manager
Alison Van Gorp, City of Mercer Island, Director of Development Services
Steve Burns, City of Medina, City Manager

Absent:

Wally Bobkiewicz, City of Issaquah, City Administrator
Kelly Rider, King County, Government Relations DCHS
Scott Pingel, City of Newcastle, City Manager
Debbie Bent, Kenmore, Community Development Director

Others Present:

Lindsay Masters, ARCH, Executive Director
Raquel Rodriguez, ARCH, Program Coordinator
Diana Heilman, ARCH, Senior Administrative Assistant
Elsa Kings, ARCH, Housing Trust Fund Manager
Mallory Van Abbema, King Co. Regional Homelessness Authority, East KC Subregional Planning Specialist
Kathy Gerla, Bellevue City Attorney's Office (CAO), City Attorney
Ian Lefcourte, City of Redmond, Senior Planner

1. CALL TO ORDER

Ms. Helland called the meeting to order at 9:02 am.

2. APPROVAL OF THE AGENDA

Ms. Helland asked for changes to the agenda of June 8, 2023. No changes were made.
Mr. Triplett moved that the agenda be approved. Seconded by Mr. Burns. Approved 9 – 0.

3. APPROVAL OF THE MINUTES

Ms. Helland asked for approval of the meeting minutes from May 11, 2023. No corrections were made.
Mr. Pyle moved that the minutes be approved. Seconded by Mr. Triplett. Approved 9 – 0.

4. PUBLIC COMMENT

No public comments.

5a) 2024 Annual Budget and Work Program Approval (continuation of briefing in April and follow up to direction provided in May)

Ms. Masters introduced new ARCH Senior Administrative Assistant, Diana Heilman.

Ms. Masters said there are a few small edits to the Work Program that affect the local planning efforts in Kenmore. These will be sent to the Board immediately after the meeting, and changes do not affect the budget.

Ms. Helland introduced the motion authorization for funding for outside legal counsel. Kathy Gerla, Bellevue City Attorney, is present to answer questions. The total budget is \$250,000, with \$95,000 for ongoing legal fees and \$155,000 funded from reserves for one-time legal support for document updates. Ms. Masters expressed appreciation for the Board's early support and described parameters in the motion to address Board members' comments.

Mr. Stannert said that he is satisfied with the motion. He would like to see it revisited in the fall in case the funding level is not adequate. Ms. Helland said they did add language for the CAO and Ms. Masters to bring back informational briefings on the expenditures at regular intervals.

Mr. Buchanan asked for more discussion regarding the \$155,000, and specifics of how this figure was generated. Ms. Gerla said that outside counsel is very expensive. The estimate came from talking to in-house counsel at Seattle that used to provide these services in private practice, and discussions with other attorneys that generated a range of hourly rates from \$700 to \$475 an hour. She used a \$500 rate for the estimate. CAO will only use outside counsel when needed. The Board will have to approve the templates. The second item involves using outside counsel to review each city's documents (MFTE program and land use incentive program).

Ms. Helland called for a motion to approve funding for ARCH legal services, as detailed in the Board packet. *Mr. Triplett moved that the draft motion be approved authorizing funds for ARCH legal services. Mr. Pyle seconded the motion. Approved 9-0.*

At this time Ms. Gerla left the meeting.

Ms. Helland called for a motion to approve the 2024 ARCH Administrative Budget. *Mr. Triplett moved that the motion be approved. Mr. Pyle seconded the motion. Approved 9-0*

Ms. Helland called for the 2024 ARCH Work Program to be approved with the edits from Kenmore. *Ms. Carlson moved that the 2024 Work Program be approved with the edits. Mr. Triplett seconded the motion. Approved 9-0*

Mr. Buchanan left the Executive Board meeting at this time.

5b) Community Advisory Board (CAB) Appointments

Ms. Helland introduced the topic, explaining the Board is tasked with appointing 2 to 5 individuals to serve on the CAB out of the 12 applicants. Ms. Masters recapped the purpose of the CAB and noted the ILA has recently been amended to allow appointments above 15 members for the purpose of expanding the diversity of the Board. Appointments can be made on a provisional basis that become permanent as vacancies are created. The CAB chair, the HTF manager and Ms. Masters interviewed as many candidates as possible. Ms. Masters shared which candidates stood out in the interview process for technical skills, professional skills, life experience and community involvement. Discussion was opened up for the Board to address the candidates' qualities and backgrounds.

Mr. Triplett made a motion for an initial slate of three candidates: Heather Sanchez, Rawan Kilani, Jeff Ginsberg. Mr. Stannert seconded the motion.

Mr. Pyle proposed a motion for an amendment to the motion to add Sarah Gustafson to the slate. Mr. Triplett seconded the motion. The motion amendment did not pass.

Discussion continued regarding candidates' qualifications. Ms. Masters indicated support for filling more seats due to the time involved in recruitment.

Ms. Helland called the question on the original slate proposed of three candidates. Approved 8-0 to add: Heather Sanchez, Rawan Kilani, Jeff Ginsberg.

Ms. Helland asked if there was a motion to add any additional applicants. Ms. Masters shared some observations about a potential additional candidate with real estate experience.

Ms. Carlson moved to add Justin Robbins to the slate. Ms. Knox seconded the motion. Approved 8-0

Mr. Hill asked if any current members were CPAs. Ms. Masters answered the CAB doesn't have CPAs, though generally CAB members are able to rely on staff to vet project finances. Ms. Helland asked if going into the weeds would be a distraction for the CAB members. There were no concerns.

Ms. Knox spoke in favor for holding spaces for better geographical distribution.

Mr. Triplett asked if there is anything that prohibits adding people later. Ms. Masters says there is no restriction and there is an option to add members at any time. Ms. Helland pointed out that there is one member from Bothell that will be terming out next year. She asked again if the Board was happy with the slate. Board members affirmed.

5c) 2023 Housing Trust Fund Priorities

Ms. Helland noted that over 4,000 households signed up for the ARCH mailing list last year.

Ms. Masters says they have been able to finalize the expected contributions for this year knowing that there will be more requests than available funds. We are estimating \$3.6 million available. Estimate for applications is around \$16 million. They will try to minimize those requests and look to other funding sources. Will try to keep the projects going even though they don't have all the resources available. She thanked the City of Kirkland for authorizing an additional \$800,000 for a project that will close Friday. This project had run into some additional funding gaps because of an increase in interest rates. We may not see some fee in lieu contributions that we normally see. There is a TBD in the chart there. They will not add any dollars in that column. We will see an additional 300 units in affordable housing built in Totem Lake. We will be looking into legislative strategies and looking to other local funding options.

Ms. Masters addressed priorities by saying they have developed a holistic list of priorities that allows flexibility to address a diverse set of needs. It also calls out some of the values of the Board and of the coalition. She said they have not added any recommendations as a staff this year, but there was a request from the CAB (not unanimous) to consider adding a priority around environmental sustainability. Language developed by the CAB chair is included in the packet. Ms. Masters requested the approval of the Board of the priorities which include standard carryover priorities from previous years and will need additional discussion on the proposed new priority.

Ms. Helland opened discussion on the new proposed priority. Mr. Pyle says there is already some of this baked into each city's permit process and codes and land use standards. He proposed that the Board and CAB focus on whether the project has taken advantage of the incentives or other programs that cities offer. Ms. Carlson suggested that Mr. Pyle's language be incorporated with the CAB language. It would be good to have a balance between environmental sustainability with the other priorities. Ms. Masters said staff needs the direction today in order to publish the guidelines next week to go out to the development community. She said that the staff has struggled with the CAB deliberations due to the fact that the state energy codes have ramped up and increased costs significantly. They want to address CAB's enthusiasm but keep up with existing codes. They appreciate the value but there is a challenge with the details.

Ms. Helland asked Mr. Pyle if he had suggested language. Mr. Pyle said he is looking for it. He says each City is in process of updating their codes. All are facing the difficulty that the state building code council delayed

implementation of state building codes. There is some discussion of mandating electrification. Maybe include language that ARCH encourages project sponsors to design with environmental sustainability in mind and advocates that projects incorporate reduction of carbon footprint in design such as electrification. Also include trans-oriented development. Language should reflect electrification to some degree though we can't require it. This is where most climate action programs go. Ms. Helland said that calling out electrification goes back to the issue of letting cities decide where their incentives are. She suggested taking it to a higher level and encouraging project developers to design with environmental sustainability in mind. She liked the last sentence that talks about having an eye towards promoting long-term durability and reducing operational costs.

Ms. Helland asked for an indication of whether the Board is interested in adding this policy. There was some tentative positive response. She asked if the Board would be in favor of something acknowledging that it is difficult for the staff but providing a sense of encouragement for project sponsors to design with a view to environmental sustainability. We could relate that to the city in which the project is located. Also, to include promoting long-term durability and reducing operational costs. Ms. Masters said they could work with that. Mr. Triplett suggests taking out the middle sentence.

Ms. Helland asked for a motion to approve the funding priorities adding the innovative sustainability environmentally friendly solutions as modified per this discussion.

Mr. Stannert moved to approve the draft funding priorities to include the innovative sustainability environmentally friendly solutions as modified per this discussion to remove the middle sentence. Ms. Carlson seconded the motion. Approved 8-0

5d) Q4 2022 Report

Ms. Helland asked Ms. Masters if she would prefer to move on to the Legislative Priorities. Ms. Masters agreed, the Q4 2022 Report is attached in the packet for review and Board members are free to reach out with any questions.

No further action is required from the Executive Board at this time.

6) OTHER BUSINESS

a. Legislative Priorities (continued discussion from May meeting)

Ms. Masters reminded Board members of the newly adopted Work Program, which include a new priority to advance one or two legislative priorities that we can try to find some consensus among the members and support coordinated advocacy. There was a good discussion last month with unified consensus to continue to elevate real estate excise tax as one of those two priorities, understanding there could be changes with councils. We want to renew that engagement or be sure we are staying aligned considering there could still be changes with the bill. We want to hear consensus on how we go about doing that, including who we can engage from your cities in this discussion. If there is time, we want to talk about whether we should convene a different kind of conversation around the TOD bill.

At this time Mr. Burns left the Executive Board meeting.

Ms. Masters emphasized the bill would have a significant impact on cities if passed, and affordability will be a significant part of the discussion. There may be less opportunity for alignment among all the jurisdictions but we could engage with your staff to identify common principles to bring back to the Board.

Ms. Helland put the question to the Board as to whether to include the TOD bill as a legislative priority for the coming session.

Mr. Triplett agreed it should be discussed. There were two big issues for Kirkland with the bill: first was the mandate for density that takes away the ability to get affordable housing out of it; second, transit today is not necessarily transit tomorrow. We need to find a way to recognize that in the state legislation.

Mr. Hill said that Woodinville found the TOD bill to be problematic because cities don't control the transit service but are required to upzone around transit. Woodinville is also the end of the transit line, and the definition of frequent transit counts trips both to and from.

Mr. Stannert said from a Bothell perspective they will probably not be going to have room for new legislation in a short session, but these both will be discussed. Their process will start in the summer. He encouraged working with Jason Greenspan, Community Development Director. He will be the primary contact.

Ms. Helland summarized the discussion, confirming there is interest in continuing discussion on REET. On TOD, ARCH can be in a real position for technical expertise on consequences and implications. Everyone believes that housing should be where transit is developed, but that definition of major transit stops is problematic for many jurisdictions because of the unreliability of Metro funding. We need to address that issue and figure out how to create a system we can rely on. ARCH can a role in helping us collect that information and sharing it with legislators.

Ms. Helland asked Ms. Masters if she has what she needs. Ms. Masters affirmed and said she would appreciate specific direction on which individuals from each city should be involved in this discussion. She requests that the appropriate contacts be sent to her.

b. Verbal Updates

- **2023 ARCH Rental Limits**
HUD released new income data which is the basis on which affordable rents are calculated. This year the increase is 8.8%. ARCH will be publishing those new income and rent limits in the coming weeks. This will result in significant rent increases.
- **Strategic Planning Committee Update**
The committee will have its first meeting on June 9 in preparation for a first stakeholder workshop. Board members should save the date for August 3 in the afternoon. We would like to have as much of the Board as possible participate. We will cancel the August Board meeting.
- **Rent Policy Update**
The workgroup had one more meeting last month and got a proposal from developers to modify the recommendation; rather than a single 3% cap, the proposal is to have a cap that scales up and down depending on the tenant's particular rent relative to the maximum program rent. There is likely to be concern about how high the cap goes, as the initial proposal ranges from 3 to 10 %. We are still hoping for a consensus but it is taking time.

7) ADJOURNMENT

Ms. Helland adjourned the meeting at 10:31 am.